

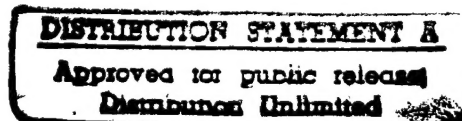


U.S. Army Corps of Engineers  
Water Resources Support Center  
Institute for Water Resources

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# PC - FINPACK

VERSION 1.010



## DOCUMENTATION REPORT

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13. ABSTRACT (Maximum 200 words)  <p>The overall purpose of this report is to provide an overview of PC-FINPACK which is a computerized financial analysis and simulation model for water supply and waste water disposal facilities. The rationale underlying the use of financial simulation models is often the assumption that firms' managers wish to maintain a given ratio of debt to equity in the firm's balance sheet. The major postulate of the PC-FINPACK rationale (an extension of the aforesaid debt-to-equity rationale) is that the constancy of the ratio of Total Operating Revenues to Total Assets is an appropriate basis for financial simulation analysis of the accounting data for water supply and waste water disposal facilities. Development of PC-FINPACK was funded by the Partners for Environmental Progress (PEP) Program, and implemented by the U.S. Army Engineer Institute for Water Resources to support Corps analysts in their conduct of financial analyses of projects that public sponsors are preliminarily considering for privatization.</p>				
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## N O T I C E

The development of PC-FINPACK has out-paced this March 1993 version of the PC-FINPACK Documentation Report. Users are hereby advised, therefore, that the information contained herein is still applicable to the operations of PC-FINPACK although some cell addresses may be a few rows away from their true locations. Users will find that directions, explanations, and helpful comments are distributed throughout the PC-FINPACK spreadsheets. Thus, the IWR Project Manager for PC-FINPACK believes that the cell-location deficiencies do not warrant postponement of the December 1993 delivery of PC-FINPACK to the PEP Program Managers, until publication of an updated Documentation Report.

# PC-FINPACK

## PURPOSE AND RATIONALE

Development of PC-FINPACK was funded by the Partners for Environmental Progress (PEP) Program, and implemented by the U.S. Army Engineer Institute for Water Resources. The PEP Program of the U.S. Army Corps of Engineers is designed to provide cost-shared planning assistance to communities involved in the planning required to satisfy their water supply and waste water disposal needs. PC-FINPACK is designed to support Corps of Engineers analysts in their conduct of computer-aided financial analyses of water supply projects and waste water disposal projects that public sponsors are considering for privatization.

PC-FINPACK is a computerized financial analysis and simulation model for water supply and waste water disposal facilities. Generally, the overriding rationale underlying the use of financial simulation models is the assumption that the firm's managers wish to maintain a given ratio of debt to equity in the firm's balance sheet.<sup>1</sup> The rationale underlying the development of the PC-FINPACK Model is an extension of the aforesaid generally-applied rationale; axiomatically, therefore, the rationale underlying the operation of PC-FINPACK is the major postulate that the constancy of the ratio of Total Operating Revenues to Total Assets is an appropriate basis for financial simulation analysis of the accounting data for water supply and waste water disposal facilities.

PC-FINPACK uses its input data on water usage to calculate a specific firm's operating revenues--then, the predominant multiplier (the ratio of Total Assets to Total Operating Revenues) is used in conjunction with other multipliers to simulate balance sheets and income statements for each of the five years shown in the PC-FINPACK spreadsheet. In other words, for a specific firm (facility), PC-FINPACK enables its users to simulate balance sheets, income statements, and other data which are in conformity with comparable data for the typical firm in the specific facility's class.

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<sup>1</sup> Prof. Simon Benninga, in the 1990 printing of his book, Numerical Techniques in Finance, revisits J. M. Warren's and J. P. Shelton's December 1971 Journal of Finance article in which they showed that certain balance-sheet relations may be determined from the simultaneous solution of several linear equations. Benninga made the point that, "... in the Warren-Shelton model the firm solves a problem that involves some twenty simultaneous equations in as many unknowns." (Benninga, 1990, p. 6)

The basic and essential input data, for PC-FINPACK, are a specific facility's:

- number of hookups designated by user-class,
- rates of annual growth of major activities-and-items, and
- multipliers which are representatives of the major accounting-and-financial (A&F) relationships for specific categories of facilities.

The data on number of hook-ups may be based on physical counts or projected usage. The PC-FINPACK growth rates and A&F multipliers were derived from analyses of the balance sheets and income statements of field-survey-determined categories of many financially sufficient privately- and public-owned water supply and waste water disposal facilities. The PC-FINPACK spreadsheet was designed to accept the manual loading of the input data.

### HOW TO USE PC-FINPACK SPREADSHEETS

The input data for PC-FINPACK are contained in one of the spreadsheet files on the computer disks that were provided. First, the user should select the spreadsheet file that meets her/his requirements. Currently, only three population-categories (small, medium, and large) are available. Users must manually select the appropriate file from the disks provided at this time--WatSupA to WatSupRR, based upon size, region, municipal or private, and water supply or waste water disposal categories. The major things to remember are:

- Users should go directly to help-screen A 1.10 and review the default values. Enter the number of hook-ups expected into cells E40-E42, usage per hook-up into cells I40-I42, and rate per 1,000 gallons into cells C45-C47.
- Additional changes can be made to the income statement and balance sheet in column E if the default values are not appropriate. Save your default file under a new file name before changing it.
- Users can view help-screens:  
  
via the spreadsheet by pressing the Tab-key twice, or pressing the Alt-key and H-key simultaneously. Users should press Shift-key and Tab-key twice to return to column A, and use the page-up or -down keys to find the lines they want.
- Users are advised to telephone Dr. Edward M. Pierce at (305) 472-1048 or (305) 475-7684, if they have problems, or need information on special considerations such as treatment or capital investment multipliers or problems with the model.

## HOW TO CHANGE THE DEFAULT MULTIPLIERS

The predominant ratio (76737/19820), located in cell E600 and also known as the critical multiplier, was determined by analysis of several types of water utilities. This ratio is the essential control factor for calculating the "Total Assets" for the first year (cell E148), which is derived from the formula: "(76737/19820) multiplied by Total Operating Revenues in the first year, shown in cell E71. Therefore, "Computed Total Assets" equals 3.87170 multiplied by E71.

The multipliers in the spreadsheets may be changed by retrieving the spreadsheet, locating the cell(s) to be changed in the "LOOK-UP TABLE" at cell address A671 in the spreadsheet, going to cell(s) to be changed, manually making the change(s), and then saving the spreadsheet.

## HELP-SCREENS EXCERPTED FROM PC-FINPACK SPREADSHEETS

● 1.7 Multipliers, lines 36, 37: The inflation rate and real growth rate are added to 1.00 to obtain the "relative." The relatives are multiplied together  $(1+inf)*(1+r)$  to obtain 1.00 plus your multiplier (cell I37). All default values are operative throughout the spreadsheet and model. You may change an individual multiplier by entering a new value in the multiplier column. Note that all lines reflect inflated values.

Revenue Computations, lines 39-48: Do not change default values. Enter any adjustments in the revised columns for rates, number of customers (Hook-ups), and usage per customer. If a gross revenue figure is all that is available, enter it in cell M45.

Press F9 (Function key F9) and the program will compute all of the forms based upon your revised numbers.

● 1.8 Special Considerations, lines 50-52: Tentative multipliers for special water treatment and unusual plant and equipment requirements (water towers, etc.) are as follows:

Air Stripping	\$ 300	per 1,000,000	gallons
GAC Absorption	\$ 500	"	"
Direct Filtering	\$ 1,000	"	"
Conv Treatment	\$ 2,250	"	"
Steam Stripping	\$ 850	"	"

Presence of arsenic, barium, selenium, or coliform Bacteria requires special treatment. Contact Mr. Bill Clark at IWR (703) 355-2240.

● 1.8.1 Unusual transportation distances or pumping requirements may increase plant and equipment costs, as well as operating costs. No data are available to provide adjustments for these conditions at the present time.

Item	Norm	Multiplier	Remarks
Pipelines			
Canals			
Water Towers			
Distribution Net			
EPA Modifications			

● 1.9 Financing Costs, lines 55-59: Financing costs are carried to the weighted cost of capital (WCC) section (line 422). Default values are 10% cost of debt (BT), 9% cost of preferred stock, and 11.6% cost of equity (Beta of 0.80,  $R_m$  of 0.13, and RFR of 0.6). The WCC is used to compute present values (line 412) and uniform annual equivalent cost (line 416).

● 2.1 Revenues, lines 64-69: Revenues are computed for the first year using inputs for usage per customer, number of customers (Hook-Ups), and rate per 1,000 gallons. For large systems, numbers of gallons are divided by 1,000,000. Revenues are summed by component to arrive at totals, and are multiplied by the multiplier to obtain revenues for three future years. Revenues are multiplied by the multiplier raised to the sixth power to arrive at revenues in the tenth year.

● 2.2 Expenses, lines 73-83: Operating Expenses increase by use of the multiplier, and are considered as variable expenses. The so-called "fixed expenses" are not tied to operating levels, but are 3% likely to vary from year to year. The model does not increase fixed expenses over time, but you may increase them by changing the multiplier. The model aggregates fixed expenses, but you may enter values for each expense-category, separately. Neither depreciation nor amortization are increased between years; the model assumes depreciation and amortization amounts are reinvested in the capital accounts, so that plant and equipment accounts remain constant over the years. You may change the entries on lines 140-143 if you have better forecasts for new construction and major maintenance. Liabilities and retained earnings columns may have to be adjusted.

Operating Earnings are computed by subtracting operating expenses, including depreciation and amortization, from operating revenues.

● 2.3 Non-Operating-Revenues-and-Expenses, -lines 99-104: (Temporary income from restricted assets should be backed out of the income

statement if it is large enough to distort results.) Interest income results from investing normally available assets, to include excess cash. If cash builds up in the model due to excess retained earnings, it is not used to generate additional investment income. You may show additional income on line 99.

Interest expense is obtained by multiplying debt outstanding (cells E155+E156, E170, and E171) by current interest rate (cells E55-E59).

● 2.4 Net Profit and Retained Earnings: Earnings are summed, tax rate (40% in cell C108) is applied, and profit after tax is computed.

Dividends and adjustments are subtracted and retained earnings are posted to the next year's balance sheet (cell G176).

● 3.1 Current Assets, lines 123-131: Cash line is carried forward from line 400 (Cash, End of Year) of the current year. Other lines for the first year are computed by multiplying the total asset figure (cell E148) by the default fraction. Follow-on years are computed by multiplying the current year value by the multiplier. First year values may be adjusted to reflect your experience by first adjusting the total asset figure, and by second recalculating the decimal multiplier for each line item of the balance sheet. These should sum to 1.0. Third, enter cells E124-E146 of the asset side of the balance sheet and change the fraction used to multiply cell E148. Check your results against the normalized balance sheet.

● 3.2 Restricted Assets, lines 133-137: Restricted assets include monies committed for special purposes such as expanded facilities. The default values include a normal amount of such monies. Theoretically, restricted funds should be cleansed from the income statement and the balance sheet before the financial analysis is completed. If restricted assets are more than 5 to 10% percent of total assets, we recommend that their effect be subtracted from both the balance sheet (lines 133-137) and income statement (line 99).

● 3.3 Fixed Assets, lines 139-145: Fixed assets are held constant through the out-years, assuming that depreciation and amortization are reinvested in plant and equipment. This assumption has the effect of zeroing out the depreciation line and amortization lines. The multiplier is held at 1.00 for fixed assets.

Construction in progress is considered as financed from restricted assets, and is backed out of both assets and liabilities. Note that current depreciation and amortization are being reinvested, and recorded under plant and equipment (line 140).

● 3.4 Total Assets, line 148: The total asset line is a key line in that other assets are computed as a percentage of total assets. The ratio of assets to revenues is computed for the average utility of your size and type. Your revenues (computed according to your number of customers, your usage per customer, and your rates) are multiplied by the ratio of assets to revenues (about 3.8) to obtain the total asset value in cell E148.

Line 149, shows the difference between assets and liabilities plus net worth. On line 150, the asset lines in the balance sheet are totaled to provide a check against the computed asset value. If the multipliers add to one, line 150 should be within one percent of line 148. Differences should be less than two percent, except for column M, which is a rough approximation for a six-year interval.

Asset totals for the out-years are simply the total of all assets, as in any balance sheet. Line 149 is the difference between assets and liabilities, and provides a check of the internal consistency of the program as it is applied to your situation. If errors exceed five percent, consult the trouble shooting section of the manual or call 305-472-1048, Dr. Edward Pierce.

● 3.5 Current Liabilities, lines 152-160: Current liabilities for the first year are computed as a fraction of total assets. The multiplier is used to obtain out-year values except for the current portion of long-term debt, which is computed by multiplying the remaining debt by the first year percentage. You may prefer to hold this number constant by using a 1.0 multiplier. Note that a reduction in debt is a negative cash flow (line 384). Increases in liabilities have the effect of positive cash flows--both will affect the cash account.

Payable from Restricted Assets, line 162-164: These lines are normally zeroed out, but may be used if you include restricted assets in the balance sheet and income statement.

Advances from Other Funds, line 167: Use if you have liabilities due to advance payments from other funds.

● 3.6 Long-Term Liabilities, lines 169-171: Intermediate-term and long-term debt are computed for the first year as a fraction of total assets (line E148). The out-year figures are the first year figures less the previous year's current portion, long-term debt (line 156).

● 3.7 Equity, lines 172-178: Preferred stock, common stock, paid in surplus and retained earnings make up the equity accounts in the business firm. Preferred stock is considered equity by law, and dividends are paid after income is taxed--as opposed to debt where

interest is paid before income is taxed. Preferred dividends are fixed for the life of the stock, and are deducted from net income (line 218).

Common stock, paid in surplus, and retained earnings are all treated as one account in computing cost of equity. The municipality is paid dividends on contributed capital (equity) which is equivalent to common stock plus paid-in-surplus. Dividends grow as equity grows. Equity is totaled, and liabilities and equity are added together to arrive at line 180, which should equal line 148 if the balance is to balance. In this model, we do not attempt to force this balance, but we note instead the differences between assets and liabilities (line 149) to obtain a check on the model's internal consistency.

● 4.1 Normalized Income Statement, lines 184-223: Normalized income statements are developed by dividing each line by total revenues. The decimals should be the multipliers used to generate your first year income statement (decimal multiplied by \$E\$71). Column F, line 202, contains the total of the expense column decimals. This total plus the operating earnings (E204) should equal 1.000.

Non-Operating revenues are computed in the same manner, but are not additive to the totals. Interest income is shown as a negative cash inflow.

Profits after tax, dividends, and adjustments complete the normalized income statement.

● 4.2 Normalized Balance Sheet, lines 242-300: Each line of the balance sheet is divided by total assets to obtain the decimals. The asset lines are summed, and should total to 1.000 (line 257). Errors of less than 0.02 in column M are considered acceptable.

Liabilities and equity accounts are computed in the same manner, and should total to 1.000 (line 300). Again, errors of less than two percent in column M are considered acceptable.

● 4.3 Liquidity Ratios, lines 304-309: Liquidity ratios tell us our ability to pay our current bills. The most stringent is the acid test ratio, which contains only cash and short-term securities (near-cash) in the numerator, and current liabilities in the denominator. An adequate ratio is 0.10 for a large firm, 0.50 for a small firm. Liquidity in the sample firm increases as the cash account grows.

Quick ratios include receivables in the numerator, and current ratios include all current assets in the numerator. As a rule-of-thumb, the quick ratio should be about 1 to 1, and the current ratio about 2 to 1, may be lower for utilities.

● 4.4 Activity Ratios, lines 312-322: Activity ratios look at the turnovers of accounts receivable and inventory (lines 312, 314). Days outstanding refers to receivables and tells us the length of time needed to collect the average account receivable. Thirty to forty-five days would appear to be adequate.

Asset turnover is an indication of the efficient use of assets. Although the normal for a manufacturing concern is about 1-to-1, utilities are heavy in assets, and have correspondingly low turnovers. Our averages are from 0.16 to 0.30. The 1.000/asset turnover is the key multiplier used to obtain total assets in cell E148.

A number of special ratios are computed in the industry. Additional ratios may be added on lines 461 to 500.

● 4.5 Coverage Ratios, lines 317-320: Coverage ratios tell us how well protected our interest and other fixed payments are secured, or covered. Interest coverage is computed by adding interest paid to earnings before taxes, and dividing the result by interest paid. Coverage should be twice interest, as a minimum.

Interest and dividend coverage is an indication of how well our dividends are covered. Dividends are paid after taxes, and must be corrected to a before tax figure by dividing the total by (1.000 minus the tax rate).

Fixed finance payment coverage is computed the same way, and should include principal payments on debt (corrected for taxes) and other fixed finance charges (long-term leases) if data are available.

● 4.6 Leverage Ratios, lines 321,322: Leverage ratios developed by dividing debt by total assets, or debt by equity. If a firm is well into the black on its income statement, it can increase its return on equity by increasing its debt ratio. The trade-off is that the firm takes on a higher risk that it will not be able to pay the increased interest and other fixed financing charges in the future.

Utilities, such as water supply and waste water treatment plants typically have high debt to equity ratios since their income is fixed, and there is little danger that they will not be able to meet these financial obligations.

Even privatized utilities are able to carry relatively high debt ratios.

● 4.7 Profitability, lines 324-328: Profitability measures include margin, or net profit over revenues, return on assets, and return on equity. The equity in a municipally-owned firm is imputed as the contributed capital plus retained earnings.

The guidelines for return on equity may be computed by using the formula shown on line 434 (default value of 0.116). This equity return is averaged with debt interest rates using a weighted average technique. Firms that earn this overall rate of return are able to pay interest on their debt and also reward equity holders with dividends. In the model, dividends provide about 40 percent of stockholder return, and growth is expected to provide about 60 percent. Firms that earn this target rate of return will show a zero net present value for cash flows when the weighted cost of capital is used as a discount factor; the internal rate of return will equal the WCC (cell G429).

Municipalities may be subsidizing the utility if the NPV is negative, and may be subsidizing other operations if the NPV is positive.

● 4.8 Growth ratios, lines 330-334: Two factors influence growth of revenues, real growth in operations, and inflation. Real growth increases at about two percent for a mature utility, and the default value for inflation is 3 percent. See help frame 1.9 for the computations to integrate these values into the model.

Cash flow, earnings, and dividend growth are geometric averages of the growth over the ten year period.

● 4.9 Operating Statistics, lines 337-338: Data on operating statistics are not available at this time.

● 5.1 Operating Cash Flows, lines 364-367: Money received from customers is taken from line 71; cash payments from line 93 after, adding back depreciation and amortization.

An increase in current assets (less cash in this case) or a decrease in current liabilities is a use of cash (lines 369, 370). Tax payments are also negative cash flows and are deleted from operating cash flows, to give a net operating cash flow (line 372).

● 5.2 Other Cash Flows, lines 374-394: Cash flows from non-capital accounts are netted out, with "advances to" as negative and "payments from" as positive.

The retirement of long-term (LT) debt is a negative cash flow, and may include payments out of restricted assets.

Interest on LT debt and dividends are negative cash flows, but may be offset by investment interest. Purchases of securities is a negative cash flow if the securities are listed as an increase in another asset account; sales of securities is a positive cash flow.

● 5.3 Summary of Cash Flows, lines 396-400: Net cash flow is the algebraic sum of lines 372, 378, 390, 393, and 394. Net cash flow is added to cash available at the beginning of the year to obtain cash available at the end of the year. This value should be carried up to the balance sheet for the year as the cash balance.

● 6.1 Payback, lines 403-406: Payback computations are based upon net cash flow (line 396), lagged one year, subtracted from original capital invested (debt plus equity).

Payback is very slow for most utilities due to the heavy investment and regulated environment that limits returns; thus, payback is not a good measure of performance for utilities.

We have artificially assumed an infinite life, and amortized the cash flows beyond year ten at the cost of capital (cell G429) to show that payback of all capital does occur (as signified by the negative number in cell K406). On the average, over two-thirds of the investment is paid back at the end of year ten (K406/F404).

The second payback computation is based upon payback of contributed capital (equity), as is normal in financial analysis.

● 6.2 Internal Rate of Return, lines 409, 410: The amortized value of cash flows for years ten and beyond are included in cell K409 to arrive at a fair IRR based upon equity investment.

This internal rate of return is on original equity (contributed capital).

● 6.3 Net Present Value, lines 413-415: The net present value calculations are provided for both equity and total investments, and represent the values of the cash flows the utility will generate, discounted at the cost of equity (cell D427) less the original equity investment (cell E175).

A positive net present value would indicate a potential for privatization of the utility.

Uniform equivalent cost is computed by using the total capital invested (all debt plus equity). This figure is divided by the present value of an annuity figure for the weighted cost of capital figure. (We used the closest approximation available from our present value tables.)

● 7.1 Cost of Components, lines 424-428: Cost of debt is the current cost of borrowing when considering new investments. For a municipal, that cost would be the interest paid on a bond issue,

adjusted for issuing expenses. We assume that the bonds would be tax-free. The after tax default value for both municipalities and firms is 0.06 since municipal interest is not subject to federal tax, but interest on private debt must be adjusted for the federal tax effect; thus, multiply interest rate by (1.0 minus tax rate).

Cost of preferred stock is the dividend paid divided by the issue proceeds. We have assumed a \$9 dividend and issue proceeds of \$100.

Cost of equity is computed using a financial formula based upon the capital asset pricing model. An alternative approach, which assumes a constant growth pattern, gives a much smaller required return on equity. The conservative approach was taken, giving a default value of 11.6 percent.

● 7.2 Weighted Average Costs, lines 424-427: We have used the book values of debt and equity for the first year to determine market values of the components. Proportions are the value of each component divided by the total value of all components.

The After Tax Cost of each component is multiplied by that component's proportion to obtain a weighted cost for the component.

The weighted cost of each component is summed to provide a Weighted Cost of Capital (WCC). The default value varies, but is approximately 8 percent. This value, the WCC, is used as the discount value when computing net present value of the firm, debt plus equity.

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*A sample copy of a PC-FINPACK generated spreadsheet is on the next page.*

*We hope PC-FINPACK proves to be helpful in your financial analysis of water-supply and -disposal facilities and, perhaps, other kinds of projects when appropriate multipliers become available.*

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***SAMPLE PC-FINPACK SPREADSHEET***

pr(right)(right)(right)(right)  
(right)(right)-

ppr(?) - WatSupD  
cari32-os\015-qppq8 3.IWR

(Medium, West)

13

Data Base A: Private Water Supply, 19XX - 19XX+10  
MEDIUM, WEST

6  
7  
8  
A 1.6  
Type of Project  
Municipal Water Supply  
Municipal Waste Water Disposal  
Private Water Supply  
Private Waste Water Disposal  
Population  
Less than 500  
501 to 1,000  
1,001 to 25,000  
25,001 to 50,000  
Greater than 50,000  
Region:  
East  
Middle  
West  
A 1.7  
Source of Water Supply  
Surface  
Well  
Other

NOTES: Column D will be deleted in final worksheet. Currently, we have small, medium, and large population-categories.

Users must manually select the appropriate file from the disks provided at this time--WatSupA to WatSupRR, based upon size, region, municipal or private, and water supply or waste water disposal categories.

Go directly to help-screen A 1.10 and review the default values. Enter the number of hook-ups expected into cells E40-E42, usage per hook-up into cells I40-I42, and rate per 1,000 gallons into cells C45-C47.

Additional changes can be made to the income statement and balance sheet in column E if the default values are not appropriate. Save your default file under a new file name before changing it.

You can view help-screens by pressing Tab-key twice, or pressing Alt-key and H-key simultaneously. Press Shift-key and Tab-key twice to return to column A. You may have to page up or down to find the lines you want.

Telephone Dr. Edward M. Pierce at (305) 472-1048 or (305) 475-7684, if you have problems, or need information on special considerations such as treatment or capital investment multipliers or problems with the model. Data base questions should be referred to Dr. G. Richard Dreese, (614) 251-4566. Model-access and programming questions should be referred to Mr. Bill Clark, Engineer Institute for Water Resources, (703) 355-2240.

A 1.10  
The default values for this project will be based upon:

Inflation rate	35	0.000	Revised		
Usage growth rate	37	0.050	Your multiplier is	1.050	
USAGE PER HOOK-UP	Default	Revised	NUMBER OF HOOK-UPS	Revised	Total Usage
Residential	136.1	40	136.1	39950	5436466
Commercial	592.0	41	592.0	4251	2516498
Industrial	11881.0	42	11881.0	21	249500
RATE PER 1,000 GAL.	Default	Revised	Revenue per customer	Revised	Revenue:
Residential	2.320	45	2.320	315.7	12613
Commercial	1.710	46	1.710	1012.3	4303
Industrial	1.880	47	22336.2	22336.2	469
Weighted Average	2.157	48			
A 1.11	49				
Special Considerations:	50				
Treatment cost multiplier	51	See line 41, help screen.			
Supplemental capital investm	52				
Financing costs:	53				
Short-term debt	54	Default	Revised		
Intermediate-term debt	55	0.100	0.100		
Long-term debt	56	0.100	0.100		
Preferred Stock	57	0.100	0.100		
Equity	58	0.090	0.090		
	59	0.116	0.116		
	60				

INCOME AND EXPENSES, PRIVATE WATER SUPPLY, MEDIUM, WEST (Dollars in thousands)						Multiplier to 6th power			
OPERATING REVENUES						1995			
Residential	63	1992	12613.0	1.050	13243.7	1.050	13905.9	1.050	14601.1
Commercial	64	1992	4303.2	1.050	4518.4	1.050	4744.3	1.050	4981.5
Industrial	65	1992	469.1	1.050	492.5	1.050	517.1	1.050	543.0
Heavy Industrial	66	1992	0.0	1.050	0.0	1.050	0.0	1.050	0.0
Less bad accounts	67	1992	0.0	1.050	0.0	1.050	0.0	1.050	0.0
Other Operating Income	68	1992	0.0	1.050	0.0	1.050	0.0	1.050	0.0
Total Oper. Rev., 1st Yr.	69	1992	17385.3	1.050	18254.6	1.050	19167.3	1.050	20125.6
OPERATING EXPENSES						1995			
Employee Salaries	70	1992	0.000	0.0	0.0	0.0	0.0	0.0	0.0
Soc. Sec. Benefits	71	1992	0.000	0.0	0.0	0.0	0.0	0.0	0.0
Fringe Benefits	72	1992	0.000	0.0	0.0	0.0	0.0	0.0	0.0
Heat-Light-Power	73	1992	0.000	0.0	0.0	0.0	0.0	0.0	0.0
Supplies-Materials	74	1992	0.000	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance	75	1992	0.000	0.0	0.0	0.0	0.0	0.0	0.0
Other	76	1992	0.722	0.0	0.0	0.0	0.0	0.0	0.0
VARIABLE EXPENSES	77	1992	0.722	0.0	0.0	0.0	0.0	0.0	0.0
Amortization	78	1992	0.000	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation	79	1992	0.111	0.0	0.0	0.0	0.0	0.0	0.0
Insurance	80	1992	0.000	0.0	0.0	0.0	0.0	0.0	0.0
Professional Fees	81	1992	0.000	0.0	0.0	0.0	0.0	0.0	0.0
Other (Taxes)	82	1992	0.167	0.0	0.0	0.0	0.0	0.0	0.0
FIXED EXPENSES	83	1992	0.278	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPER. EXPENSES	84	1992	1.000	0.0	0.0	0.0	0.0	0.0	0.0

OPERATING EARNINGS (LOSSES)	94	95	5660.7	1.079	5106.6	1.077	5574.8	1.075	7066.5	1.344	7500.4	e71*-e93
NON-OPERATING REVENUES (EXPENSES)	96											
Interest Income	98											
Other Income	99	0.0			0.0		0.0		0.0		0.0	
Sale Fixed assets	100	0.0			0.0		0.0		0.0		0.0	
Interest Expense	101	0.096	-3695.4		-3695.4		-3695.4		-3695.4		-3695.4	
Other	102		0.0		0.0		0.0		0.0		0.0	
NET NON-OPERATING EARNINGS	103											
NET EARNINGS	104											
Tax	105	0.400	0.045	1.000	0.000	1.000	1.171	3371.1	1.722	5805.0	2322.0	e71*-136
PROFIT AFTER TAX	106											
Preferred Stock Dividends	107	0.068	1179.2		1446.7		1727.7	2022.7		3483.0		
Common Dividends	108		-76.7		-76.7		-76.7	-76.7		-76.7	Not mean	
Adjustments	109		-471.7		-578.7		-691.1	-809.1		-1393.2	e110*-04	
Total to Retained Earnings	110		0.0		0.0		0.0	0.0		0.0		
CASH COMPUTATIONS	111		630.8		791.3		959.9	1136.9		2013.1	Summed	
Cash BOY (Begin. of Yr.)	112		2557.8	1.053	1592.4	1.050	2827.0	1.050	2968.4	1.340	3977.9	
Cash BOY (End of Yr.)	113		2692.4		2827.0		2968.4		3116.8		4176.8	
Cash Avail. for Withdrawal	114		57.3		121.2		127.2		133.6		179.0	
BALANCE SHEET, PRIVATE WATER SUPPLY, MEDIUM, WEST (Dollars in thousands)	120											
CURRENT ASSETS	122											
Cash (line 118)	123	0.040	2692.4	1.050	2827.0	1.050	2968.4	1.050	3116.8	1.340	4176.8	REFERENCE
Accounts Receivable	124		16.4		1.0		1.0		1.0		1.0	
Due from Other Funds	125		0.0		1.0		1.0		1.0		1.0	
Due from Other Governments	126		0.0		1.0		1.0		1.0		1.0	AR dummy
Inventory, at cost	127		16.4		1.0		1.0		1.0		1.0	
Other CA	128	0.032	2147.9	1.050	2255.3	1.050	2368.0	1.050	2486.4	1.340	3332.1	+e148*-1
Total, Curr. Asset	129	0.072	4673.2		5084.3		5338.4		5605.3		7510.9	Summed
RESTRICTED ASSETS	130											
Investments	131		0.0		0.0		0.0		0.0		0.0	
AR--Contributed Capital	132		0.0		0.0		0.0		0.0		0.0	
Tot. Rest. Assets	133	0.000	0.0		0.0		0.0		0.0		0.0	
FIXED ASSETS	134											
Plant & Equipment	135		55531.3		55531.3		55531.3		55531.3		55531.3	+e148*-80
Less Depreciation	136		0.0		0.0		0.0		0.0		0.0	Assume r
Land	137		0.0		0.0		0.0		0.0		0.0	depreciat
Construction In Progress	138		0.0		0.0		0.0		0.0		0.0	support g
Tot. Fixed Assets	139	0.825	55531.3		55531.3		55531.3		55531.3		55531.3	Summed
Other Assets	140	0.103	6906.2	1.050	7251.5	1.050	7614.0	1.050	7994.7	1.340	10713.7	Add amort
COMPUTED TOT. ASSETS-1ST YR	141		67310.6		67867.1		68483.8		69131.3		73755.9	+e148*-09
ASSETS MINUS LIABILITIES	142		0.0		0.0		0.0		0.0		0.0	(Assets/R
SUM OF ASSET-ELEMENTS-CHECK	143		67310.6		67867.1		68483.8		69131.3		73755.9	Assets -
LIABILITIES AND EQUITY	144											
CURRENT LIABILITIES	145											
Accounts Payable	146		0.0		0.0		0.0		0.0		0.0	Page
Accrued Expenses	147		0.0		1.0		1.0		1.0		1.0	
Short Term Debt	148		0.0		0.0		0.0		0.0		0.0	
Current Part. LT Debt	149		0.0		0.0		0.0		0.0		0.0	
Due to Other Funds	150		0.0		0.0		0.0		0.0		0.0	
Other	151	0.099	6638.8	1.050	6403.9	1.050	6060.7	1.050	5571.4	1.340	8182.9	
Total Curr. Liabilities	152											
PAYABLE FROM RESTRICTED ASSETS	153											
Contracts Payable	154		0.0		0.0		0.0		0.0		0.0	
Deposits	155		0.0		0.0		0.0		0.0		0.0	
Total, Payable from R.A.	156		0.0		0.0		0.0		0.0		0.0	
ADVANCES FROM OTHER FUNDS	157		0.0		0.0		0.0		0.0		0.0	
LONG TERM LIABILITIES	158											
Intermediate-Term De	159	0.236	15885.3		15885.3		15885.3		15885.3		15885.3	Adjust to
Long Term Debt	160	0.313	21068.2		21068.2		21068.2		21068.2		21068.2	schedule
EQUITY	161											
Preferred Stock	162	0.019	1278.9		1278.9		1278.9		1278.9		1278.9	+e148*-17
Common Stock	163	0.324	21808.6		21808.6		21808.6		21808.6		21808.6	+e148*-35
Contributed Capital	164	0.000	0.0		0.0		0.0		0.0		0.0	Not corre
Retained Earnings	165	0.009	530.8		1422.1		2382.0		3518.8	Have 5 ye	5531.9	0 Begin o
Total Equity	166	0.352	23718.3		24509.6		25469.5		26606.4		28619.4	(/3)*
Total Liabil. & Equity	167		67310.6		67867.1		68483.8		69131.3		73755.9	Summed
	168											
	169											
NORMALIZED INCOME STATEMENTS, PRIVATE WATER SUPPLY, MEDIUM, WEST	170											
	171											
OPERATING REVENUES	172											
Service Charges	173		1.000		1.000		1.000		1.000		1.000	Base for

Other Operating Income	187	0.000	0.000	0.000	0.000	0.000 expenses
OPERATING EXPENSES	188					
Employee Salaries	189					
Soc. Sec. Benefits	190	0.000	0.000	0.000	0.000	0.000
Fringe Benefits	191	0.000	0.000	0.000	0.000	0.000
Heat-Light-Power	192	0.000	0.000	0.000	0.000	0.000
Supplies, Materials	193	0.000	0.000	0.000	0.000	0.000
Maintenance	194	0.000	0.000	0.000	0.000	0.000
Other	195	0.000	0.000	0.000	0.000	0.000
FIXED EXPENSES	196	0.722	0.732	0.741	0.751	0.752
Amortization	197					
Depreciation	198	0.000	0.000	0.000	0.000	0.000
Insurance	199	0.111	0.107	0.104	0.100	0.075
Professional Fees	200	0.000	0.000	0.000	0.000	0.000
Other	201	0.000	0.000	0.000	0.000	0.000
	202	0.167	0.161	0.155	0.150	0.174
OPERATING EARNINGS (LOSSES)	203	-----	-----	-----	-----	-----
	204	0.326	0.335	0.343	0.351	0.352
NON-OPERATING REVENUES (EXPENSES)	205					
Interest Income	206					
Other Income	207					
Sale Fixed Assets	208	0.000	0.000	0.000	0.000	0.000
Interest Expense	209	0.000	0.000	0.000	0.000	0.000
Other	210	0.000	0.000	0.000	0.000	0.000
	211	-0.213	-0.202	-0.193	-0.184	-0.137
	212	0.000	0.000	0.000	0.000	0.000
NET NON-OPERATING EARNINGS	213					
Tax	214					
	215	0.045	0.053	0.060	0.067	0.086
PROFIT AFTER TAX (%Reven)	216	-----	-----	-----	-----	-----
Preferred Stock Dividends	217	0.068	0.079	0.090	0.101	0.129
Common Dividends	218	0.004	0.004	-0.004	-0.004	-0.003
Adjustments	219	0.027	0.032	0.036	0.040	0.052
To Retained Earnings	220	0.000	0.000	0.000	0.000	0.000
	221	0.036	0.043	0.050	0.056	0.075
	222					
	223					
	224					
	225					
	226					
	227					
	228					
	229					
	230					
	231					
	232					
	233					
	234					
	235					
	236					
	237					
	238					
	239					
	240					
NORMALIZED BALANCE SHEET, PRIVATE WATER SUPPLY, MEDIUM, WEST						
CURRENT ASSETS	242					
Cash (\$400. 1st Year)	243	1992	1993	1994	1995	2001 REFERENCE
Accounts Receivable	244	0.040	0.042	0.043	0.045	0.057
Due From Other Funds	245	0.000	0.000	0.000	0.000	0.000
Due from Due Other Funds	246	0.000	0.000	0.000	0.000	0.000
Inventory, at cost	247	0.000	0.000	0.000	0.000	0.000
Prepaid Expenses	248	0.032	0.033	0.035	0.036	0.045
Total, Current Assets	249					
	250					
	251	0.072	0.075	0.078	0.081	0.102 Summed
RESTRICTED ASSETS	252					
Investments	253					
AR--Contributed Capital	254	0.000	0.000	0.000	0.000	0.000
	255	0.000	0.000	0.000	0.000	0.000
Total, Restricted Assets	256					
	257	0.000	0.000	0.000	0.000	0.000 summed
FIXED ASSETS	258					
P&E	259					
Less Depreciation	260	0.825	0.818	0.811	0.803	0.753
Land	261	0.000	0.000	0.000	0.000	0.000
Construction In Progress	262	0.000	0.000	0.000	0.000	0.000
	263	0.000	0.000	0.000	0.000	0.000
Total, Fixed Assets	264					
	265	0.825	0.818	0.811	0.803	0.753 Summed
Other Assets	266	0.103	0.107	0.111	0.116	0.145
Total Assets	267	-----	-----	-----	-----	-----
	268	1.000	1.000	1.000	1.000	1.000 Summed
LIABILITIES AND EQUITY	269					
	270					
CURRENT LIABILITIES	271					
Accounts Payable	272					
Accrued Expenses	273	0.00	0.00	0.00	0.00	0.00
Short Term Debt	274	0.00	0.00	0.00	0.00	0.00
Current Part, LT Debt	275	0.00	0.00	0.00	0.00	0.00
Due to Other Funds	276	0.00	0.00	0.00	0.00	0.00
Other	277	0.00	0.00	0.00	0.00	0.00
	278	0.10	0.09	0.09	0.08	0.11 +N150/NS
	279					

Total Curr. Liabilities	280	0.10	0.09	0.09	0.08	0.11
PAYABLE FROM RESTRICTED ASSETS						
Contracts Payable	282	0.00	0.00	0.00	0.00	0.00
Deposits	283	0.00	0.00	0.00	0.00	0.00
	284					
Total, Payable from R.A.	285	0.00	0.00	0.00	0.00	0.00
	286					
ADVANCES FROM OTHER FUNDS	287	0.00	0.00	0.00	0.00	0.00
	288					
LONG TERM LIABILITIES	289					
Intermediate-Term Debt	290	0.24	0.23	0.23	0.23	0.22
Long-Term Debt	291	0.31	0.31	0.31	0.30	0.29
EQUITY	292					
Preferred Stock	293	0.02	0.02	0.02	0.02	0.02
Common Stock	294	0.32	0.32	0.32	0.32	0.30
Contributed Capital	295	0.00	0.00	0.00	0.00	0.00
Retained Earnings	296	0.01	0.02	0.03	0.05	0.08
	297					
Total Equity	298	0.35	0.36	0.37	0.38	0.39 Summed
	299	-----	-----	-----	-----	-----
Total Liabilities & Equity	300	1.0	1.0	1.0	1.0	1.0 Summed
	301					
RATIO ANALYSIS, PRIVATE WATER SUPPLY, MEDIUM, WEST						
	303	1992	1993	1994	1995	2001
LIQUIDITY						
Acid Test	304					
Quick	305	0.426	0.4	0.5	0.6	0.5
Current	306	0.408	0.4	0.5	0.6	0.5
AR/Op Inc	307	0.734	0.8	0.9	1.0	0.9
	308	0.0	0.0	0.0	0.0	0.0
	309					
	310					Cash/Inve
ACTIVITY						
Accounts Receivable TO	311					
Days Outstanding	312	17385.3	18254.6	19167.3	20125.6	26970.3
Inventory Turnover	313	0.0	0.0	0.0	0.0	0.0
Asset Turnover	314	nm	nm	nm	nm	nm
One/Asset TO	315	0.258	0.3	0.3	0.3	0.4
	316	0.872				
COVERAGE AND LEVERAGE						
Interest Coverage	317					
Interest + Dividends	318	1.745	0.7	0.8	0.9	1.6
Fixed Finance Payments	319	1.519	0.6	0.6	0.7	1.1
I,LT Debt/Assets	320	1.272	0.6	0.6	0.7	1.1 No curren
Equity/Assets	321	0.55	0.5	0.5	0.5	0.5
	322	0.35	0.4	0.4	0.4	0.4
	323					
	324					(E107+E10
	325					formula
Margin	326	0.113	0.5	0.5	0.5	0.5
Return on Assets	327	0.029	0.0	0.0	0.0	0.1
Return on Equity	328	0.083	0.1	0.1	0.1	0.2
Cash Flow on Assets	329	0.103	0.1	0.1	0.1	0.1
	330					Assets >
GROWTH (Percent)						
Revenue	331	0.050	0.050	0.050	0.050	0.050
Cash Flow	332	na	na	na	na	na
Earnings	333	na	na	na	na	na
Dividends	334	na	na	na	na	na
	335					
	336					
	337					
	338					
	339					
	340					
SENSITIVITY ANALYSIS RATES (WEIGHTED AVERAGE)						
	342					
Rates (Weighted Average)	343	2.2	2.2	2.2	2.2	2.2
Usage	344	8202644	8202644	8202644	8202644	8202644
Customers	345	44230	44230	44230	44230	44230
	346					
Revenues	347	17385	18255	19167	20126	26970 Dollars i
	348					
Personnel Costs	349	0	0	0	0	0 not avail
Other Variable Expenses	350	8467	8890	9334	9801	13135
Depreciat'n & Amortizat'n	351	1304	1304	1304	1304	1304
Other Fixed Expenses	352	1954	1954	1954	1954	3031
	353					
Total Assets	354	67311	67867	68484	69131	73756
Plant and Equipment	355	55531	55531	55531	55531	55531
(Operating)	356					
Debt (IT and LT)	357	36954	36954	36954	36954	36954
Equity (Equivalent)	358	21718	24510	25469	26606	28619
	359					
	360					
STATEMENT OF CASH FLOWS, PRIVATE WATER SUPPLY, MEDIUM, WEST (Dollars in Thousands)						
	362	1992	1993	1994	1995	2001
CASH FLOWS FROM OPERATING ACTIVITIES						
Received from Customers	364	17385.3	18254.6	19167.3	20125.6	26970.3
Payments	365	-11724.6	-12148.0	-12592.5	-13059.2	-17469.9
Add Back Depreciation	366	1303.9	1303.9	1303.9	1303.9	1303.9
Net Operating Cash Flow	367	6964.5	7410.5	7878.7	8370.3	10804.3
	368					
Change, CA, less cash	369	0.0	76.5	112.8	118.4	845.6
Change Current Liabilities	370	0.0	-234.9	-343.2	-489.3	-655.8
Taxes	371	-786.1	-964.5	-1151.8	-1348.4	-1807.0
Cash Flow, Operat. Accts.	372	6178.4	6287.6	6496.5	6651.0	9187.1
						Summed
						-M93
						OSUM(M364
						Incl depr
						+M367+M36

373									
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES									
Advances to Other Funds	375	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Repayment to Other Funds	376	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Total, C.F. From Non-Cap	377	0.0	0.0	0.0	0.0	0.0	0.0	0.0	+M375+M37
CASH FLOWS FROM CAPITAL ACCOUNTS									
Change in Fixed Assets	381	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Assume c
Change in Other Assets	382	0.0	345.3	362.6	380.7	2719.0	for expan	0.0	minor add
Capital Grants	383	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Retirement, LT Debt	384	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
New debt	385	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Interest on LT Debt	386	-3695.4	-3695.4	-3695.4	-3695.4	-3695.4	+M102	-3695.4	
Dividends	387	-471.7	-578.7	-691.1	-809.1	-1393.2	+110*.04	-1393.2	
Contributed Capital	388	0.0	0.0	0.0	0.0	0.0	Ave RE, 6	0.0	
Depreciation, Amortization	389	1303.9	1303.9	1303.9	1303.9	1303.9	+M85+M86	1303.9	
Total, C.F. From Cap Accts	390	-2863.1	-2624.8	-2720.0	-2819.8	-1065.7	Summed	-1065.7	
CASH FLOWS FROM INVESTMENTS									
Investment Interest	392	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Net purchase Securities	394	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
NET CASH FLOW	396	3315.3	3662.8	3776.6	3831.2	8121.4	+M372+M37	8121.4	
CASH, BEGINNING OF YEAR	398	2557.8	2692.4	2827.0	2968.4	3977.9		3977.9	
CASH, Avail. for Withdrawal	399	57.3	121.2	127.2	133.6	179.0		179.0	
CASH, EOY Includes Line 399	400	2692.4	2827.0	2968.4	3116.8	4176.8		4176.8	
PAYBACK									
Investment	404	-67311	57311	59828	51891	43728	35393	-43867.1	
Cash Flow to Capital	405		7482	7937	8163	8336	79260	160981	
Remaining Investment	406		59828	51891	43728	35393	-43867	-204848	
INTERNAL RATE OF RETURN									
Cash Flow	408	Assume perpetuity after year ten.							
IRR	409	-67311	7482	7937	8163	8336	79260	160981	
NET PRESENT VALUE	411	0.082	Assume perpetuity after year ten.						
Cash Flow	412	-67311	7482	7937	8163	8336	79260	160981	
Net Present Value	414	104089.1							
UNIFORM ANNUAL EQUIVALENT COST									
Costd/EVIFA.coc.infin per	418	5523.5							
WEIGHTED COST OF CAPITAL:									
Component	BTC	ATC	Mkt Value	Proportion	Cost				
k dit	0.1	0.060	15885	0.3	0.015				
k dlt	0.1	0.060	21068.2	0.3	0.020				
k ps		0.090	1279	0.0	0.002				
k e		0.116	23718	0.4	0.044				
k e = D/P + q = .04 + .05 =	433		51951	1.0	0.082				
Constant growth assumption.	434		0.090						
k e = RFR + b(R m - RFR) = .06434	435				0.116				
PROJECT SUMMARY: PRIVATE WATER SUPPLY, MEDIUM, WEST--base case	436								
Annual revenues for the first and tenth years are:	438		17385.3		26970.3	+e71	26970.3		
Annual cash expenses for the first and tenth years are:	441		14902.2		22183.4	+E93-E85-E86-E105+			
Payback would occur in year:	445					+M93-M85-M86-M105+			
Internal rate of return on this project is:	446		0.318 (Probably a minus .003, but near zero)			+E410			
Net present value of this project is:	447		104089			+E414			
Project cash flow would have to equal	450		5523 each year to cover costs			+E417			
and provide for the market required return on equity. (Nearly double current CF).	451								
(Dollars in thousands)	452								
(Assuming an infinite project life)	453								
Ratio Analysis:	454								
Liquidity position is	455								
Asset turnover is	456								
Profitability is	457								
Growth rate is	458	0.050							
Excess capacity at peak load is (not available).	460								
Assume depreciation is reinvested in assets.	462								
	464								
	465								

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## ADJUSTED BALANCE SHEET LINES 124 THROUGH 150 FOR FIRST YEAR

	470	
	471	1992
	472	-----
CURRENT ASSETS	473	
Cash (See line 124)	474	2692.4
Accounts Receivable	475	16.4
Due From Other Funds	476	0.0
Due from Other Governments	477	0.0
Inventory, at Cost	478	16.4
Other CA	0.0319 479	2147.9
	480	
Total, Current Assets	481	4873.2
	482	
RESTRICTED ASSETS	483	
Investments	484	0.0
AR--Contributed Capital	485	0.0
	486	
Total, Restricted Assets	487	0.0
	488	
FIXED ASSETS	489	
Plant & Equipment	490	55531.3
Less Depreciation	491	0.0
Land	492	0.0
Construction In Progress	493	0.0
	494	
Total Fixed Assets	495	55531.3
Other Assets	496	6906.2
	497	-----
TOTAL ASSETS, COMPUTED	498	67310.6
Assets-liabilities, 1st year	499	0.0
SUM OF ASSET-ELEMENTS	500	67310.6
	501	

## LINES 503 THROUGH 519 ARE ADJUSTMENTS ROUTINES FOR LIABILITIES

Accounts Payable	503	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accrued Expenses	504	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short Term Debt	505	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current, Part, LT Debt	506	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Due to Other Funds	507	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	508	5990.6	548.1	6290.2	113.7	5604.7	-544.0	5934.9	-1363.5	9293.5	-1110.5
Contracts Payable	509	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deposits	510	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ADVANCES FROM OTHER FUNDS	511	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Intermediate-Term Debt	512	15885.3	0.0	15885.3	0.0	15885.3	0.0	15885.3	0.0	15885.3	0.0
Long Term Debt	513	21068.2	0.0	21068.2	0.0	21068.2	0.0	21068.2	0.0	21068.2	0.0
Preferred Stock	514	1278.9	0.0	1278.9	0.0	1278.9	0.0	1278.9	0.0	1278.9	0.0
Common Stock	515	21808.6	0.0	21808.6	0.0	21808.6	0.0	21808.6	0.0	21808.6	0.0
Contributed Capital	516	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Retained Earnings	517	630.8	0.0	1422.1	0.0	2382.0	0.0	3518.8	0.0	5531.9	0.0
	518										
Total Liabilities & Equity	519	66662.5	548.1	67753.3	113.7	69027.7	-544.0	70494.8	-1363.5	74866.4	-1110.5
	520										

## UNADJUSTED FIRST YEAR BALANCE SHEET LINES 124 THROUGH 150 --- SEE LINES 474 THROUGH 500

	522	1992
	523	-----
CURRENT ASSETS	524	
Cash (See line 124)	524	2692.4
Accounts Receivable	525	16.4
Due From Other Funds	526	0.0
Due from Other Governments	527	0.0
Inventory, at Cost	528	16.4
Other CA	0.0319 529	2198.1
	530	
Total, Current Assets	531	4924.2
	532	
RESTRICTED ASSETS	533	
Investments	534	0.0
AR--Contributed Capital	535	0.0
	536	
Total, Restricted Assets	537	0.0
	538	
FIXED ASSETS	539	
Plant & Equipment	540	55531.3
Less Depreciation	541	0.0
Land	542	0.0
Construction In Progress	543	0.0
	544	
Total Fixed Assets	545	55531.3
Other Assets	546	7067.6
	547	-----
TOTAL ASSETS, COMPUTED	548	67310.6
Assets-liabilities, 1st year	549	0.0
SUM OF ASSET-ELEMENTS	550	67523.1

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 \*\*\* TO QUICKLY FIND MULTIPLIER CELLS SEE LOOK-UP TABLE AT A671. \*\*\*  
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## CELL E600--THE PREDOMINANT MULTIPLIER

In the first year, the ratio 76737/19820 is equivalent to ("Total Assets" divided by "Total Operating Revenues"). This ratio, which

equals 3.87170 and is known as the predominant multiplier, was determined by analysis of several types of water utilities. In the first year, this ratio (E600) is multiplied by "Total Operating Revenues" (E71) to produce "Computed Total Assets" (E148).

DESCRIPTIONS OF THE OPERATIONS OF MULTIPLIERS ARE IN SAME ROW WITH THE ACTUAL MULTIPLIERS.	Col. E	Description of Multiplier's Operation
	V	V
SUPPLIES & MATERIALS	568 0.00000 = E568	Computes "Supplies & Materials--Operating Expenses" (E79), when multiplied by "Total Operating Revenues" (E71).
MAINTENANCE--OPER. EXP.	569 0.00000 = E570	Computes "Maintenance--Operating Expenses" (E80), when multiplied by "Total Operating Revenues" (E71).
OTHER--OPER. EXPENSES	571 0.48700 = E572	Computes "Other--Operating Expenses" (E81), when multiplied by "Total Operating Revenues" (E71).
DEPRECIATION--VAR. EXP.	572 0.07500 = E574	Computes "Depreciation--Variable Expenses" (E86), when multiplied by "Total Operating Revenues" (E71).
INSURANCE--VAR. EXP.	573 0.00000 = E576	Computes "Insurance--Variable Expenses" (E87), when multiplied by "Total Operating Revenues" (E71).
PROFESSIONAL FEES--VAR. EXP.	574 0.00000 = E578	Computes "Professional Fees--Variable Expenses" (E88), when multiplied by "Total Operating Revenues" (E71).
OTHER (TAXES)--VAR. EXP.	575 0.11240 = E580	Computes "Other (Taxes)--Variable Expenses" (E89), when multiplied by "Total Operating Revenues" (E71).
OTHER ASSETS	576 0.10500 = E582	Computes "Other Assets" (E546), when multiplied by "Computed Total Assets" (E148).
CASH, END OF YEAR	577 0.04000 = E584	Computes "Cash, End of Year" (E118), when multiplied by "Computed Total Assets" (E148).
CASH, AVAIL. FOR WITHDRAWAL	578 0.90000 = E586	Computes "Cash, Available for Withdrawal" (E119), when multiplied by "Cash, End-Of-Year" (E118) minus "Cash, Beginning-Of-Year" (E117).
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EMPLOYEE SALARIES--OPER. EXP.	582 0.00000 = E592	Computes "Employee Salaries--Operating Expenses" (E75), when multiplied by "Total Operating Revenues" (E71).
SOC. SECURITY BENEFITS	583 0.00000 = E594	Computes "Social Security Benefits--Operating Expenses" (E76), when multiplied by "Total Operating Revenues" (E71).
FRINGE BENEFITS--OPER. EXP.	584 0.00000 = E596	Computes "Fringe Benefits--Operating Expenses" (E77), when multiplied by "Total Operating Revenues" (E71).
HEAT, LIGHT & POWER--OPER. EXP.	585 0.00000 = E598	Computes "Heat, Light & Power--Operating Expenses" (E78), when multiplied by "Total Operating Revenues" (E71).
COMPUTER TOTAL ASSETS	586 3.87170 = E600	Computes "Computed Total Assets" (E148), when multiplied by "Total Operating Revenues" (E71).
ACCTS. REC.--CURRENT ASSETS	587 0.00025 = E602	Computes "Accounts Receivable--Current Assets" (E525), when multiplied by "Computed Total Assets" (E148).
DUE FROM OTHER FUNDS--C.A.S.S.	588 0.00000 = E604	Computes "Due From Other Funds--Current Assets" (E526), when multiplied by "Computed Total Assets" (E148).
DUE FROM OTHER GOV'TS.	589 0.00000 = E606	Computes "Due From Other Governments--Current Assets" (E527), when multiplied by "Computed Total Assets" (E148).
INVENTORY AT COST--C. ASSETS	590 0.00025 = E608	Computes "Inventory at Cost--Current Assets" (E528), when multiplied by "Computed Total Assets" (E148).
OTHER--CURRENT ASSETS	591 0.03266 = E610	Computes "Other--Current Assets" (E529), when multiplied by "Computed Total Assets" (E148).
PLANT & EQUIP.--FIXED ASSETS	592 0.82500 = E612	Computes "Plant & Equipment--Fixed Assets" (E540), when multiplied by "Computed Total Assets" (E148).
CONSTRUC. IN PROG.--F. ASSETS	593 0.00000 = E614	Computes "Construction in Progress--Fixed Assets" (E543), when multiplied by "Computed Total Assets" (E148).
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OTHER INCOME--NET N/O EARN.	624 0.00000 = E624	Computes "Other Income--Net Non-Operating Earnings" (E100), when multiplied by "Total Operating Revenues" (E71).
OTHER--NET NON-OP. EARNINGS	625 0.00000 = E626	Computes "Other--Net Non-Operating Earnings" (E103), when multiplied by "Total Operating Revenues" (E71).
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ACCTS. PAY.--CURR. LIABIL.	632 0.00000 = E632	Computes "Accounts Payable--Current Liabilities" (E153), when multiplied by "Computed Total Assets" (E148).
ACCURED EXP.--CURR. LIABIL.	633 0.00000 = E634	Computes "Accrued Expenses--Current Liabilities" (E154), when multiplied by "Computed Total Assets" (E148).
SHORT-TERM DEBT--C. LIABIL.	634 0.00000 = E636	Computes "Short-Term Debt--Current Liabilities" (E155), when multiplied by "Computed Total Assets" (E148).
CURR. LIABIL. PART OF LT. D.	635 0.00000 = E638	Computes "Current Liabilities Part of Long-Term Debt" (E156), when multiplied by "Computed Total Assets" (E148).
CURR. LIABIL. DUE OTHER FUNDS	636 0.00000 = E640	Computes "Current Liabilities Due to Other Funds" (E157), when multiplied by "Computed Total Assets" (E148).
OTHER CURRENT LIABILITIES	637 0.08900 = E642	Computes "Other Current Liabilities" (E158), when multiplied by "Computed Total Assets" (E148).
CONTRACTS PAY. FROM R. ASSETS	638 0.00000 = E644	Computes "Contracts Payable From Restricted Assets" (E162), when multiplied by "Computed Total Assets" (E148).
DEPOSITS PAY. FROM R. ASSETS	639 0.00000 = E646	Computes "Deposits Payable From Restricted Assets" (E163), when multiplied by "Computed Total Assets" (E148).
ADVANCES FROM OTHER FUNDS	640 0.00000 = E648	Computes "Advances From Other Funds" (E167), when multiplied by "Computed Total Assets" (E148).
INTERMEDIATE-TERM DEBT	641 0.23600 = E650	Computes "Intermediate-Term Debt--Long-Term Liabilities" (E170), when multiplied by "Computed Total Assets" (E148).
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PREFERRED STOCK--EQUITY	552	0.01900 = E652	Computes "Preferred Stock--Equity" (E173),
	553		when multiplied by "Computed Total Assets" (E148).
LONG-TERM DEBT	554	0.31300 = E654	Computes "Long-Term Debt" (E171),
	555		when multiplied by "Computed Total Assets" (E148).
COMMON STOCK--EQUITY	556	0.32400 = E656	Computes "Common Stock--Equity" (E174),
	557		when multiplied by "Computed Total Assets" (E148).
CONTRIBUTED CAPITAL--EQUITY	558	0.00000 = E658	Computes "Contributed Capital--Equity" (E175),
	559		when multiplied by "Computed Total Assets" (E148).
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LOOK-UP TABLE FOR LOCATING THE CELL ADDRESSES OF THE MULTIPLIERS

ALPHABETIZED NAMES OF MULTIPLIERS	CELL ADDRESSES OF MULTIPLIERS
ACCURED EXPENSES--CURRENT LIABILITIES	E634
ACCOUNTS PAYABLE--CURRENT LIABILITIES	E632
ACCOUNTS RECEIVABLE--CURRENT ASSETS	E602
ADVANCES FROM OTHER FUNDS	E648
CASH AVAILABLE FOR WITHDRAWAL	E586
CASH, END OF YEAR	E584
COMMON STOCK--EQUITY	E656
COMPUTED TOTAL ASSETS	E600
CONSTRUCTION IN PROGRESS--FIXED ASSETS	E614
CONTRACTS PAYABLE FROM RESTRICTED ASSETS	E644
CONTRIBUTED CAPITAL--EQUITY	E658
CURRENT LIABILITIES PART OF LONG-TERM-DEBT	E638
CURRENT LIABILITIES DUE OTHER FUNDS	E640
DEPOSITS PAYABLE FROM RESTRICTED ASSETS	E646
DEPRECIATION--VARIABLE EXPENSES	E574
DUE FROM OTHER FUNDS--CURRENT ASSETS	E604
DUE FROM OTHER GOVERNMENTS	E606
EMPLOYEE SALARIES--OPERATING EXPENSES	E592
FRINGE BENEFITS--OPERATING EXPENSES	E596
HEAT, LIGHT & POWER--OPERATING EXPENSES	E598
INSURANCE--VARIABLE EXPENSES	E576
INTERMEDIATE-TERM DEBT	E650
INVENTORY AT COST--CURRENT ASSETS	E608
LONG-TERM DEBT	E654
MAINTENANCE--OPERATING EXPENSES	E570
OTHER ASSETS	E582
OTHER CURRENT LIABILITIES	E642
OTHER INCOME--NET NON-OPERATING EARNINGS	E624
OTHER (TAXES)--VARIABLE EXPENSES	E580
OTHER--CURRENT ASSETS	E610
OTHER--NET NON-OPERATING EARNINGS	E626
OTHER--OPERATING EXPENSES	E572
PLANT & EQUIPMENT--FIXED ASSETS	E612
PREFERRED STOCK--EQUITY	E652
PROFESSIONAL FEES--VARIABLE EXPENSES	E578
SHORT-TERM DEBT--CURRENT LIABILITIES	E636
SOCIAL SECURITY BENEFITS	E594
SUPPLIES & MATERIALS	E568